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UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA

In re CORNERSTONE PROPANE) Case No. C03-2522-MHP
PARTNERS LP SECURITIES LITIGATION)
) [PROPOSED] PRELIMINARY
) APPROVAL ORDER
)

[PROPOSED] PRELIMINARY APPROVAL ORDER

WHEREAS, a consolidated class action is pending before the Court entitled In re CornerStone Propane Partners L.P. Securities Litigation, Case No. C03-2522 MHP (the "Action");

WHEREAS, the Court has received the Stipulation of Settlement dated as of September 19, 2006 (the "Stipulation"), that has been entered into by Lead Plaintiff and the Defendants (the "Parties"), and the Court has reviewed the Stipulation and its attached Exhibits; and

WHEREAS, the Court granted Lead Plaintiff's motion for class certification by Memorandum and Order dated May 3, 2006, certifying a Class of all persons and entities who purchased or otherwise acquired Cornerstone Propane Partners L.P. ("Cornerstone") common units between July 29, 1998 and February 11, 2003, inclusive (the "Class"). Excluded from the Class are: (i) Defendants; (ii) members of the immediate family of each of the Defendants; (iii)

1 Cornerstone and any subsidiary or affiliate of Cornerstone; (iv) the directors, officers, managing
2 directors, principals and partners of Cornerstone; (v) any entity in which any excluded person has a
3 controlling interest; and (vi) the legal representative, heirs, successors or assigns of any excluded
4 person. Also excluded from the Class are those persons or entities (i) who both purchased or
5 acquired and sold their Cornerstone common units before July 27, 2001; or (ii) who timely and
6 validly request exclusion from the Class pursuant to the Notice of Pendency and Proposed
7 Settlement of Class Action ("Notice") to be sent to the Class; and

8 WHEREAS, the Court, by the same May 3, 2006 Memorandum and Order, appointed Lead
9 Plaintiff, Gilbert H. Lamphere, as the representative of the Class; and

10 WHEREAS, the Parties having made an application, pursuant to Federal Rule of Civil
11 Procedure 23(e), for an order preliminarily approving the Settlement of this Action, in accordance
12 with the Stipulation which, together with the Exhibits annexed thereto sets forth the terms and
13 conditions for a proposed Settlement of the Action and for dismissal of the Action with prejudice
14 upon the terms and conditions set forth therein; and the Court having read and considered the
15 Stipulation and the Exhibits annexed thereto; and

16 WHEREAS, all defined terms contained herein shall have the same meanings as set forth in
17 the Stipulation;

18 IT IS HEREBY ORDERED as follows:

19 1. The Court, for purposes of this preliminary order (the "Preliminary Approval
20 Order"), adopts all defined terms as set forth in the Stipulation.

21 2. The Court preliminarily approves: (1) the Settlement of the Action as set forth in the
22 Stipulation and (2) the proposed Plan of Allocation described in the Notice, subject to the right of
23 any Class Member to challenge the fairness, reasonableness and adequacy of the Stipulation, the
24 proposed Plan of Allocation or the fairness and adequacy of their representation by Lead Counsel,
25 and to show cause, if any exists, why a final judgment dismissing the Action based on the
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1 Stipulation should not be ordered herein after due and adequate notice to the Class has been given in
2 conformity with this Order.

3 3. The Court approves as to form and content, and for distribution to Class Members,
4 the Notice substantially in the form of Exhibit A-1 hereto, for publication of a Summary Notice of
5 Pendency and Proposed Settlement of Class Action ("Summary Notice") in the form of Exhibit A-3
6 hereto, and for distribution to Class Members, a Proof of Claim and Release ("Proof of Claim") in
7 the form of Exhibit A-2 hereto.
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9 4. Pending resolution of these settlement proceedings, Lead Plaintiff and all other
10 potential Class Members, whether directly, representatively or in any other capacity, whether or not
11 such persons have appeared in the Action, shall not institute or prosecute any actions or proceedings
12 asserting any Released Claims against the Defendants or any other Released Persons.
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14 5. Lead Counsel is authorized to act on behalf of the Class with respect to all acts
15 required by, or which may be given pursuant to, the Stipulation or such other acts which are
16 reasonably necessary to consummate the proposed Settlement set forth in the Stipulation.

17 6. Lead Counsel is hereby authorized to retain The Garden City Group, Inc. as Claims
18 Administrator to supervise and administer the notice and claims procedures.

19 7. The Claims Administrator shall make reasonable efforts to identify all persons and
20 entities that are members of the Class, including beneficial owners whose Cornerstone common
21 units are held by banks, brokerage firms or other nominees. Cornerstone shall provide within three
22 (3) calendar days of the execution of this order the information from its transfer records required by
23 the Claims Administrator to send Notice to the persons and entities that can be identified through
24 those same records. The Claims Administrator shall send the Notice and the Proof of Claim by first
25 class mail to all persons and entities that appear on the transfer records of Cornerstone as having
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1 transferred to their names Cornerstone common units between July 29, 1998 and February 11, 2003,
2 inclusive.

3 8. The mailing of the Notice and Proofs of Claim shall commence on or before fifteen
4 (15) calendar days following the execution of this order (the "Notice Date").

5 9. Pursuant to the Notice, each nominee shall either: (1) send the Notice and Proof of
6 Claim to Class Members for which they act as nominee by first class mail within ten (10) calendar
7 days after the nominee receives the Notice; or (2) send a list of the names and addresses of such
8 beneficial owners to the Claims Administrator within ten (10) calendar days after the nominee
9 receives the Notice and, in the event of the latter, the Claims Administrator shall send by first class
10 mail the Notice and Proof of Claim to all Class Members who are on the list received from the
11 nominee. The Claims Administrator shall, if requested, reimburse banks, brokerage houses or other
12 nominees for their reasonable out-of-pocket expenses incurred in providing notice to beneficial
13 owners who are Class Members, which expenses would not have been incurred except for the
14 sending of such notice, subject to further order of this Court with respect to any dispute concerning
15 such compensation. Lead Counsel shall file with the Court and serve upon counsel for the
16 Defendants no later than seven (7) calendar days prior to the Settlement Hearing an affidavit or
17 declaration describing the efforts taken to comply with this order and stating that the mailings have
18 been completed in accordance with the terms of this order.

19 10. Within ten (10) calendar days of the Notice Date, Lead Counsel shall publish a
20 Summary Notice substantially in the form of Exhibit A-3 hereto in *The Wall Street Journal*. Lead
21 Counsel shall file with the Court and serve upon counsel for Defendants no later than seven (7)
22 calendar days prior to the Settlement Hearing an affidavit or declaration stating that the Summary
23 Notice has been published in accordance with the terms of this order.
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1 11. The Court finds that dissemination of the Notice and Proof of Claim in the manner
2 required by ¶¶8-9, and publication of the Summary Notice in the manner required by ¶10, constitute
3 the best notice practicable under the circumstances to Class Members and meet the requirements of
4 Rule 23 of the Federal Rules of Civil Procedure, due process under the United States Constitution,
5 Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. 78u-4(a)(7) as amended by the
6 Private Securities Litigation Reform Act of 1995, and any other applicable law and shall constitute
7 due and sufficient notice to all persons and entities entitled thereto.
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9 12. Any person or entity falling within the definition of the Class may, upon request, be
10 excluded from the Settlement. Any such person or entity must submit to the Claims Administrator a
11 request for exclusion ("Request for Exclusion"), postmarked no later than fifty (50) calendar days
12 after the Notice date. A Request for Exclusion must state: (1) the name, address, and telephone
13 number of the person or entity requesting exclusion; (2) the person's or entity's purchase(s),
14 acquisition(s) and sale(s) of Cornerstone common units made during the Class Period, including the
15 dates, the number of common units, and price paid or received per common unit for each such
16 purchase or sale; and (3) that the person or entity wishes to be excluded from the Class. All persons
17 and entities who submit valid and timely Requests for Exclusion in the manner set forth in this
18 paragraph shall have no rights under the Stipulation, shall not share in the distribution of the
19 Settlement Fund and shall not be bound by the Stipulation or the Final Order and Judgment.
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22 13. Any Class Member who objects to the Settlement of the Action, the proposed Plan of
23 Allocation, the adequacy of representation by Lead Counsel, the application of counsel for
24 attorneys' fees, costs and expenses or the application of the Lead Plaintiff for reimbursement of
25 reasonable time and expenses, shall have a right to appear and be heard at the Settlement Hearing.
26 Any Class Member may enter an appearance through counsel of such member's own choosing and
27 at such member's own expense or may appear on their own. However, no Class Member shall be
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1 heard at the Settlement Hearing unless, on or before fifty (50) calendar days after the Notice Date,
2 such Person has filed with the Court a written notice of objection, and the grounds for opposing the
3 Settlement, Plan of Allocation application for attorneys' fees, costs and expenses, or application by
4 Lead Plaintiff for reimbursement of reasonable time and expenses along with proof of membership
5 in the Class which proof shall include the number of Cornerstone common units purchased or
6 otherwise acquired during the Class Period, and delivered a copy to counsel listed on the Notice.
7 The manner in which a notice of objection must be prepared, filed and delivered shall be stated in
8 the Notice. Only Class Members who have filed and delivered valid and timely written notices of
9 objection will be entitled to be heard at the Settlement Hearing unless the Court orders otherwise.
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11 14. The Court authorizes payment out of the Settlement Fund of the expenses described
12 in ¶3.5 of the Stipulation.

13 15. A Settlement Hearing will be held on December 10, 2007, at 2⁰⁰ p.m. before
14 this Court to determine whether the proposed Settlement of the Action as set forth in the Stipulation,
15 should be approved as fair, reasonable and adequate as to each of the Parties, and whether the Final
16 Order and Judgment approving the Settlement should be entered. The Court may adjourn or
17 continue the Settlement Hearing without further notice to Class Members.
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19 16. At the Settlement Hearing, the Court will determine whether Lead Counsel's
20 proposed Plan of Allocation of the Net Settlement Fund should be approved.
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22 17. The passage of title and ownership of the Settlement Fund to the Escrow Agent in
23 accordance with and subject to the terms of the Stipulation is approved. No person or entity that is
24 not a Class Member or counsel for Lead Plaintiff shall have any right to any portion of, or in the
25 distribution of, the Settlement Fund unless otherwise ordered by the Court or otherwise provided in
26 the Stipulation.
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1 18. All funds held by the Escrow Agent shall be deemed and considered to be in the
2 custody of the Court in accordance with the Stipulation, and shall remain subject to the jurisdiction
3 of the Court, until such time as such funds shall be distributed pursuant to the Stipulation, the Plan
4 of Allocation and/or further order(s) of the Court.

5 19. At the Settlement Hearing, the Court will determine whether the application of Lead
6 Counsel for an award of attorneys' fees, costs and expenses should be approved.

7 20. At the Settlement Hearing, the Court will determine whether the application of Lead
8 Plaintiff for reimbursement of reasonable time and expenses should be approved.

9 21. Any Class Member who wishes to participate in the Settlement Fund must submit a
10 valid Proof of Claim to the Claims Administrator, at the Post Office Box indicated in the Notice,
11 postmarked not later than ninety (90) calendar days from the Notice Date. Such deadline may be
12 further extended by Court Order. Proofs of Claim shall be deemed to have been submitted when
13 postmarked, if mailed by first class, or registered or certified mail, postage prepaid, addressed in
14 accordance with the instructions given in the Proof of Claim. All other Proofs of Claim shall be
15 deemed to have been submitted at the time they are actually received by the Claims Administrator.
16 To be valid, a Proof of Claim must: (1) be completed in a manner that permits the Claims
17 Administrator to determine the eligibility of the claim as set forth in the Proof of Claim; (2) include
18 the release by the Claimant of all Released Persons as set forth in the Stipulation; and (3) be signed
19 under penalty of perjury that the information is true and correct. All Class Members who do not
20 submit valid and timely Proofs of Claim shall be forever barred from receiving any payments from
21 the Settlement Fund, but will in all other respects be subject to and bound by the provisions of the
22 Stipulation and the Final Order and Judgment, if entered.
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1 22. Neither Defendants nor counsel for Defendants shall have any responsibility for the
2 Plan of Allocation of the Settlement Fund submitted by Lead Counsel, and it will be considered
3 separately from the fairness, reasonableness and adequacy of the Settlement.

4 23. No later than ten (10) calendar days before the Settlement Hearing, all briefs
5 supporting the Settlement, the Plan of Allocation, the request for attorneys' fees and reimbursement
6 of expenses, and the application by Lead Plaintiff for reimbursement for reasonable time and
7 expenses shall be served and filed.

8 24. Neither the Stipulation nor the Settlement contained herein, nor any act performed or
9 document executed pursuant to or in furtherance of the Stipulation or the Settlement: (i) is or may
10 be deemed to be or may be used as an admission of, or evidence of, the validity of any Released
11 Claim, or of any wrongdoing or liability of the Defendants or the Released Persons; or (ii) is or may
12 be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of
13 the Defendants or the Released Persons in any civil, criminal or administrative proceeding in any
14 court, administrative agency or other tribunal.

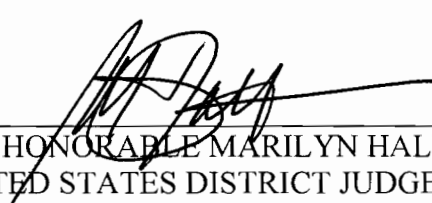
15 25. All proceedings in the Action are stayed until further order of the Court, except as
16 may be necessary to implement the Settlement or comply with the terms of the Stipulation.

17 26. The Court may, for good cause, extend any of the deadlines set forth in this order
18 without further notice to Class Members.

19 27. If (a) the Settlement is terminated by Defendants pursuant to ¶8.8 of the Stipulation;
20 or (b) any specified condition to the Settlement set forth in the Stipulation is not satisfied and Lead
21 Counsel or one or more of Defendants elects to terminate the Settlement as provided in ¶8.4 of the
22 Stipulation, then, in any such event, the Stipulation, including any amendment(s) thereof, and this
23 Preliminary Approval Order shall be null and void, of no further force or effect, and without
24 prejudice to any Party, and may not be introduced as evidence or referred to in any actions or
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1 proceedings by any person or entity, and each Party shall be restored to his, her or its respective
2 position as it existed on May 18, 2006.

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4 DATED: September 10, 2007

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7 THE HONORABLE MARILYN HALL PATEL
8 UNITED STATES DISTRICT JUDGE
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